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at all, a strange omission indeed. Mr. Guenther affords an excellent account, considering the space at his disposal, of farm loans and mortgages, city real estate, and land booms. Neither of the writers touches upon that large and important class of securities, savings and loan shares. A slight but concrete feature of Mr. Guenther's book is the inclusion of a complete list of railroad guaranteed stocks.

In places the arrangement of material in *Investments and Speculation* is almost grotesquely illogical. For instance, three chapters on Pools and Manipulation, the Promoter's Place in Finance, and the Get-Rich-Quick-Lure are placed between a chapter on Panics and one on Business Barometers. Another even more curious juxtaposition is the placing of a chapter on the Mystery of a Balance Sheet between those on Efforts to Prevent Speculation and the Nature of the Exchanges.

Mr. Guenther has edited for some years a financial publication which excels in the exposure of worthless, stock jobbing enterprises. As might be expected his chapters on these subjects make interesting reading.

ALBERT W. ATWOOD.

*Scientific Management and Labor.* By ROBERT FRANKLIN HOXIE.  
(New York: D. Appleton and Company. 1915. Pp. x,  
302. \$1.50.)

This book "is based upon an investigation of scientific management in its relations to labor," made by the writer and certain collaborators for the United States Commission on Industrial Relations. The greater part of the volume is taken up with the appendices, exhibiting in the main the mechanism of the investigation, which includes "The labor claims of scientific management . . .," "The trade union objections to scientific management," "Vital points at issue between scientific management and labor . . ." and the voluminous "Questionnaire" (105 pages) sent to industrial establishments to collect data in addition to that obtained by personal visit. Little use was made of the "Trade union objections" or of the "Vital points at issue" in the investigation; and "designated" scientific management shops were tested by the "Labor claims of scientific management according to Mr. Frederick W. Taylor." This document is the distinctive organon of the investigation; scientific management is not compared (except incidentally) with the practice in other shops, but with these "claims."

The body of the book comprises part I, "Viewpoint and method," and part II, "Critical examination of scientific management in its relations to labor." The major portion of the second part consists in the detailed results of the investigation—"Scientific management in practice" (97 pages). Here are set forth numerous alleged discrepancies between doctrine and practice which the investigator found in the shops examined. Some of the particular topics dealt with are: "Methods employed in the selection and hiring of workmen"; "Time study and task setting: their purposes, methods and results"; "Rate making, modes of payment and the maintenance of rates." These topics, and others like them, have to do with matters of contact between scientific management methods and individual workmen. But the topic "Scientific management and industrial democracy" has to do only with collective labor. Also there are topics here dealt with which have no direct bearing on the interests of labor either individually or collectively: such a subject, for example, as "Functional foremanship." Whether a proprietor shall have a "planning room" or not is obviously no direct concern of labor, any more than the methods of cost accounting, insurance, etc., unless, that is, the laborers are held to be virtually copartners in the enterprise. A just examination of how any system of management affects labor should put indirect and collateral matters out of consideration and proceed upon the basis of the assumption of the usual prerogatives of management under the entrepreneur type of industrial society. And in particular an examination of scientific management should not represent it as more involved with matters of "democracy" than is industry in general.

So far as the results of the investigation of "Scientific management in practice" are confined to the domain of shop management proper, there is much adverse criticism which is well taken and which should be found tonic and useful. Space forbids comment on some of these things in detail, as well as on the criticisms that are not well taken. Overmuch is made of the fact, for example, that scientific management is not as "scientific" as it is represented to be. Of course this is so. It is the fashion of the age to misuse the terms science and scientific. Again it is an error in the interpretation of facts to represent that under scientific management practice the methods of work in a shop are kept in such a constant state of flux that there is little or no opportunity for collective bargaining. On the contrary, the

standardization of operations which obtains under scientific management makes for greater stability than exists generally in industry, and affords unusual opportunity for definiteness of contract. There is nothing inherently inimical to collective bargaining in scientific management principles and practice other than that it is difficult for a union, most of whose members are outside scientific management shops, to legislate for unfamiliar conditions; other than that it is difficult for a union to keep up its membership in a shop where workmen receive at the hands of the management exceptionally high pay and satisfactory general conditions of employment; and other than that it is difficult for unions to give up their propensities toward leveling. Scientific management does stand for differentiation of labor—the discontinuance of old style “herding” of labor. If unionists will consent to a sufficiently differentiated collective bargain there will be no conflict with scientific management. The fight is on, however, with those who hold to the principle of the “solidarity of labor.”

And this belief in the “solidarity of labor” is on the whole the attitude of mind of the writer of the book. Throughout there runs a quasi-syndicalist assumption of the virtual part-ownership of labor in industry; and hence the main indictment of the whole situation is not that individual workmen are oppressed under scientific management methods, but that “industrial democracy” has a hard time of it. An indication of the prepossessions with which the investigator and his two associates approached their task seems to be given in the following, taken from “Conclusions resulting from the investigation,” which was signed by all three and presented with the “Report” to the commission.

Neither organized or unorganized labor finds in scientific management any adequate protection to its standards of living, any progressive means for industrial education, or any opportunity for industrial democracy by which labor may create for itself a progressively efficient share in efficient management. And therefore, as unorganized labor is totally unequipped to work for these human rights, it becomes doubly the duty of organized labor to work unceasingly and unswervingly for them, and, if necessary, to combat an industrial development which not only does not contain conditions favorable to their growth, but, in many respects, is hostile soil.” (Appendix I.)

The reader of this book should bear in mind that scientific management is in politics and that attempts are being made to secure hostile legislation: and he should ask himself whether its effect as a whole will not be to further such legislation. Even if

this result were not intended, even if no legislation were pending, it is certain that it was intended (as shown by the above quotation) to arouse the antagonism of organized labor toward scientific management. The reviewer also feels justified in saying, from inside knowledge of scientific management, that irrespective of intent the effect of this book as a whole will be to multiply misconceptions and misunderstandings with regard to scientific management practice.

The most distinctive feature of the method of the investigation, as already stated, was the artfully prepared "Labor claims of scientific management" (Appendix II) with their "democracy" and "social unrest" and "equal voice" of labor with management, and the judging scientific management in practice for the most part by that standard instead of by the usual practice in industry. The reader should carefully note page 2 in this connection and also read Mr. Taylor's own published writings, and judge for himself whether there was not probable misunderstanding on Mr. Taylor's part when he subscribed to these "claims." Furthermore, it was manifestly improper to test Taylor principles (so far as Taylor principles are embodied in the "prepared" patent lawyer "claims") by the practice in any shops other than Taylor system shops. Yet this is what was done; and the particular class of "designated" shops in which the investigator "found things" is not specified. It is not to be overlooked in this connection that the investigator himself recognized Mr. Taylor's system as "applied with greater fidelity than those of his rivals" and as being "regarded in most quarters as scientific management par excellence and practically identified with the more inclusive term." (Compare pages 7 and 8 with page 3 and with the first page of the preface.) Only cases of failure to live up to real Taylor principles on the part of real Taylor shops would constitute damaging findings of an investigation.

Finally, mention may be made, as having a bearing upon the methods of the investigation, of the fact that both of the assistants appointed by the commission "to accompany the investigator in the examination of shops, and to insure the fairness and thoroughness of the study" were out and out labor men. This seems unaccountable in view of the fact that both of them were passed upon as "acceptable to each side" before appointment; but such things sometimes happen.

The reviewer does not wish to give the impression that this

book, even though the outcome of such a faulty investigation, altogether condemns scientific management in its relation to labor. There is a good deal that is commendatory, not only in that section called "Possible benefits of scientific management to labor and to society," but also here and there throughout the book. Indeed, the reviewer can not recall a book wherein he has observed such a marked blowing hot and blowing cold on almost every page. What is to be regretted most of all is that this investigation undertaken at public expense will probably fail of its socially most useful opportunity. The scientific management movement, heretofore too exempt from criticism for its good, may be deprived of the full benefit it should receive by reason of just resentment.

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*The Elements of Industrial Management.* By J. RUSSELL SMITH. (Philadelphia: J. B. Lippincott Company. 1915. Pp. 291. \$2.00.)

This is an elementary book on business policy and industrial management growing out of the author's course at the Wharton School, published for the benefit of "young men who are at work and have not the prospect of attending this kind of a college."

The book includes chapters on the nature and purpose of organization, the rise of modern industry and the labor problem, types of organization, especially the partnership and the corporation, the causes of failure in business, the advantages of large-scale production, overhead charges, dumping, standardization, how big an enterprise should be, location of industry and of a factory, the model factory town (Letchworth), the model factory, the quality of labor, employment, standardization in labor and labor conditions, wages, control of the working force, reorganizing works, symbols and records, and the relation of industrial management to economic organization in general.

To cover such a field, the book is necessarily sketchy. The author makes no effort to develop new ideas nor to discuss fully the many controverted questions of modern management. It is evidently a review of certain of the literature of the subject. The selection and arrangement show that the writer is strongly influenced by recent movements, especially that known as scientific management, though it must be said that quite irreconcilable views